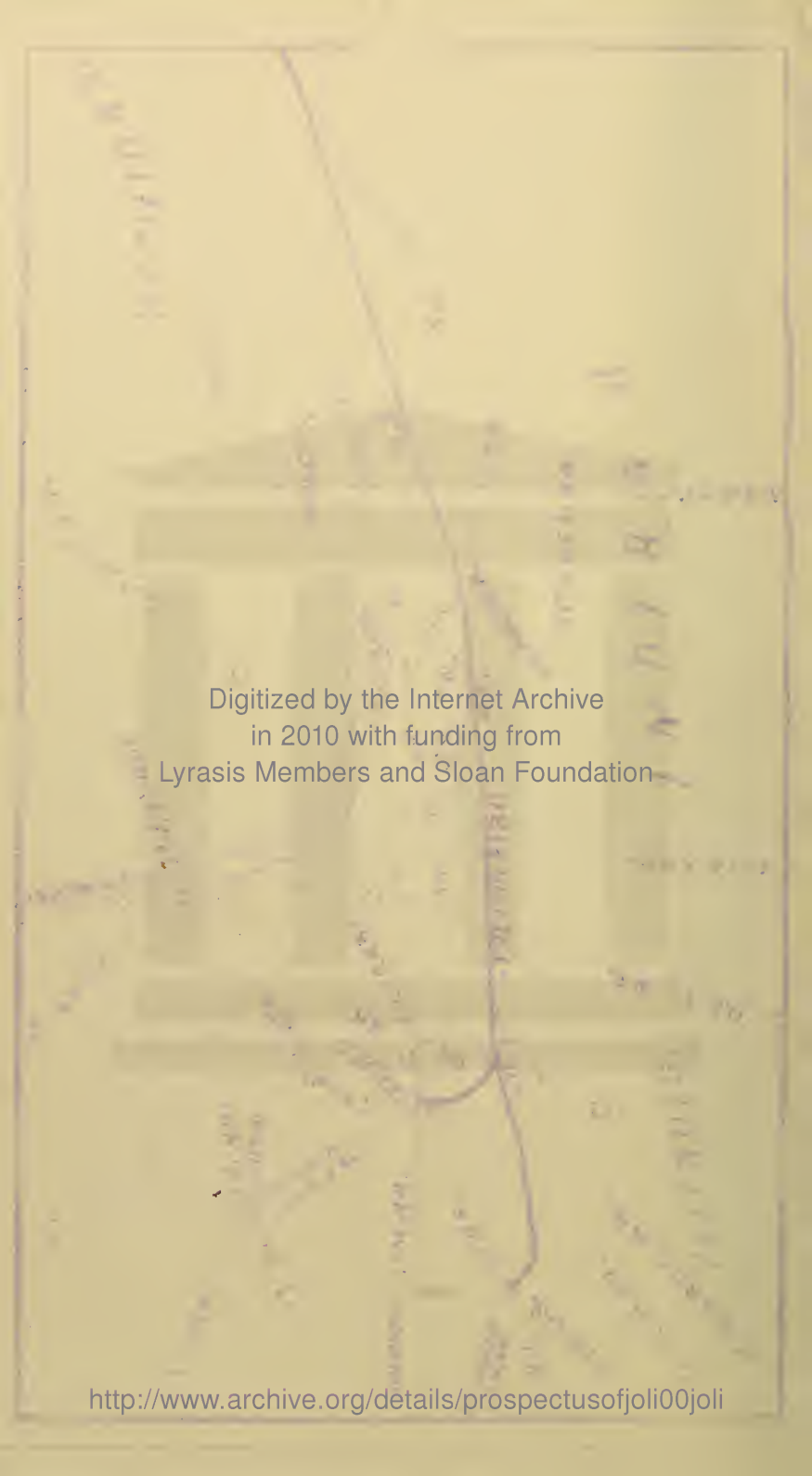




Digitized by the Internet Archive
in 2010 with funding from
Lyrasis Members and Sloan Foundation

PROSPECTUS

OF THE

Joliet & Valparaiso Rail Road COMPANY.



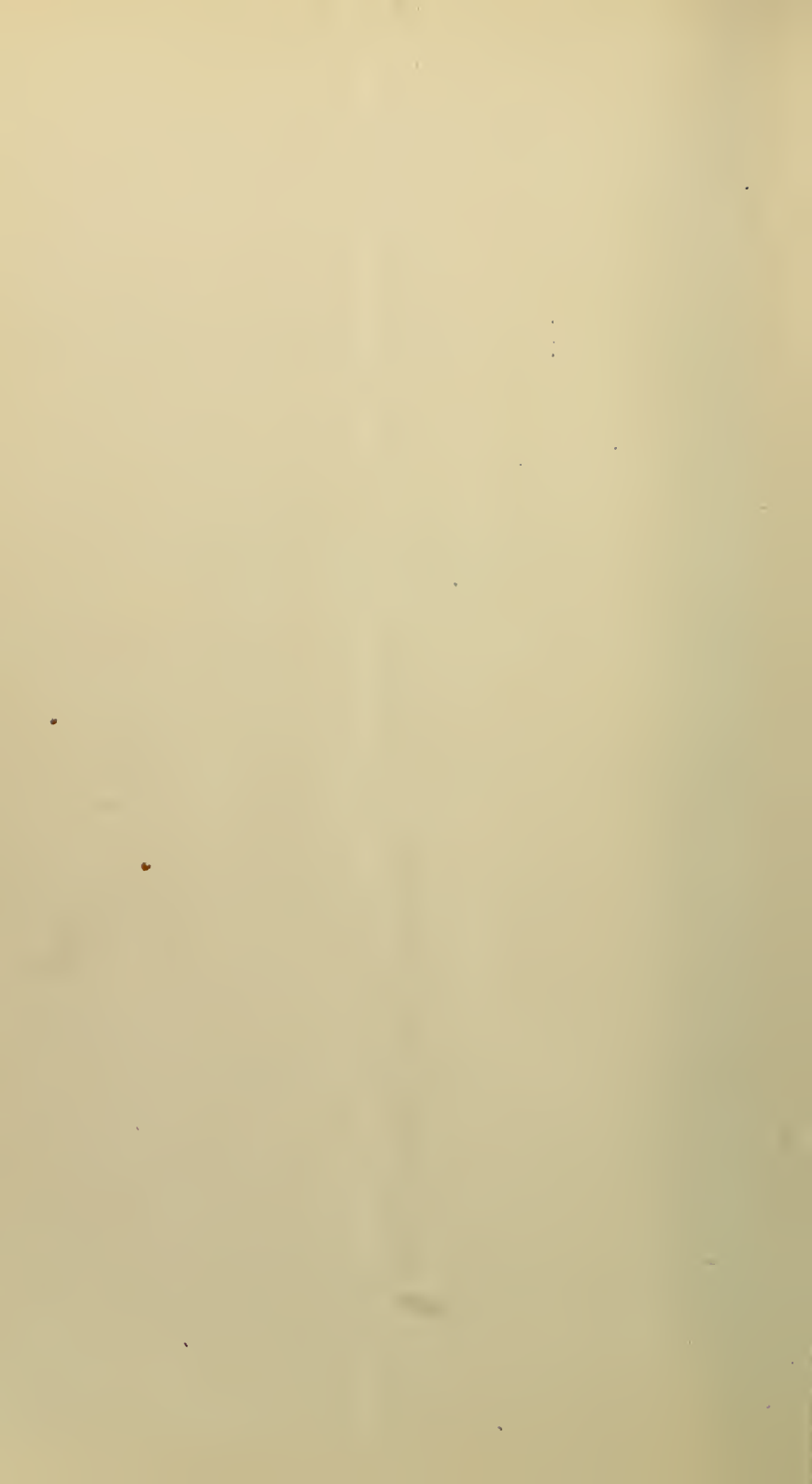
FIRST MORTGAGE SINKING FUND ^{Six}~~SEVEN~~ PER
CENTUM

GOLD BONDS.

SPECIAL ATTENTION IS INVITED TO THE SECURITY AND
VALUE OF THESE BONDS AS AN INVESTMENT.

MARCH, 1881.

JOLIET:
JOLIET REPUBLICAN STEAM PRINTING HOUSE.
1881.



OFFICERS OF THE COMPANY.

PRESIDENT:

CHARLES H. GOOLD.

VICE PRESIDENT:

H. N. MARSH.

DIRECTORS:

CHARLES H. GOOLD.	GEORGE W. ARMSTRONG.
H. N. MARSH.	MARK L. McCLELLAND.
C. H. WEEKS.	GEO. F. BARTHOLOMEW.
E. T. CHASE.	ELIHU GRIFFIN.
JOHN BROWN, JR.	

C. H. WEEKS, SECRETARY.
CONRAD TATGE, TREASURER.
E. T. CHASE, GENERAL MANAGER.
A. J. MATHEWSON, CHIEF ENGINEER.
C. B. GARNSEY, SOLICITOR.

PROSPECTUS OF THE
Joliet and Valparaiso Rail Road Company.

OBJECT.

THE proposed JOLIET & VALPARAISO RAIL ROAD is located East and West, and is intended to form a short connecting link between the great trunk lines leading from Chicago to the Atlantic, and toward the Pacific; and, by materially shortening the distance, facilitate the transit of freight and passengers between the East and the West—its eastern terminus being at Valparaiso, Indiana, the line branching at Manhattan, with the western terminus at Joliet, and the southwestern at Morris, Illinois.

Valparaiso lies southeast of Chicago forty-four miles; Joliet southwest of Chicago forty miles, and Morris southwest of Joliet twenty-two miles. It will be observed, by reference to the inclosed map, that the line is, strictly speaking, a “cut-off;” avoiding the detour by way of Chicago, and, with every shipping advantage that is possessed by that city, not only shortening the distance, but resulting in a saving of time to the shipper of live stock of from twenty-four to thirty-six hours, at the same time making a great reduction in stock-yard, switching, and other exorbitant charges that are continually met in forwarding stock through large cities. Of grain a similar statement may be made. Grain can be transported from the prairies of western Illinois, Iowa and the north-western States to the seaboard, at from one to two cents per bushel cheaper by being transferred at Joliet than at Chicago. The difference being saved in switching and elevator charges, the grain reaching the seaboard much more speedily.

The lines of the Joliet & Valparaiso Rail Road as now located, will be about one hundred miles in length, but it is the intention of the company to extend its lines west and northwest as soon as the present lines are completed, tapping the Chicago, Burlington, & Quincy, Northwestern and Wisconsin railroads, which will enable the western and northwestern shippers to avail themselves of the advantages of transporting their produce over this short and cheap route. Even the Northern Pacific will find this a shorter and more favorable line than that by way of Milwaukee and Chicago.

CONNECTIONS.

The eastern trunk line connections of the Joliet and Valparaiso Railroad, are: FIRST, The Chicago and Grand Trunk, at Valparaiso, Ind., with which road a traffic alliance for twenty years has already been made, and a shorter route is secured to Buffalo than by any other line leading east from Joliet or Chicago. This also secures a complete through connection *via* the New York, Lake Erie and Western to New York city, and *via* the Vermont Central to Boston, and *via* the Grand Trunk proper to Montreal, Quebec and Portland.

SECOND, The Pittsburgh, Fort Wayne and Chicago, also at Valparaiso, by which the whole system of roads operated by the Pennsylvania Company, with their various connections, are reached.

THIRD, The Baltimore and Ohio, at or near Valparaiso, by which we reach Baltimore and the country traversed by this line and its connections.

FOURTH, The Pittsburgh, Cincinnati and St. Louis (Pan Handle), at Crown Point, Indiana.

The north and south roads terminating at Chicago, crossed by

the Joliet and Valparaiso, are (1) the Chicago and Eastern Illinois (2) the Illinois Central, and (3) the Chicago and Strawn (Wabash.)

The western connections at Joliet are: **FIRST**, The Chicago, Rock Island and Pacific, which now has the greatest number and most extended Iowa and Missouri River branches of any of the roads leading west from Chicago, the western termini being Omaha, St. Joseph, Atchison, Leavenworth and Kansas City.

SECOND, The Chicago, Alton and St. Louis with its direct route to St. Louis and Kansas City, besides a number of important branches in Illinois.

THIRD, The Chicago, Pekin and Southwestern, a new road which has opened to market the fine agricultural and mining territory lying between Joliet and Peoria.

In addition to railroads enumerated the Illinois and Michigan Canal, which connects the great lakes with the Mississippi, will be a direct feeder of the Joliet and Valparaiso at both Morris and Joliet. Already at Joliet during the boating season, large quantities of grain are transferred from the canal and go east over the Michigan Central Railroad. Of a recent count of 110 boats of grain going north through the canal, 84 were transferred at Joliet, against 26 which passed on to Chicago.

PROBABLE EXTENSIONS.

In addition to the three lines now in operation leading from Joliet west and southwest, upon the completion of the Joliet and Valparaiso an extension will be built from Joliet northwest to Aurora, a distance of twenty miles, tapping the Chicago, Burlington and Quincy, the Chicago and Iowa, and the Chicago and Northwestern. The Joliet and Mendota Short Line, a direct east and west line from Joliet to Mendota, a distance of fifty miles, and its construction to completion, is now looked upon as an event

of the near future. Also a line is contemplated from Morris to Mendota, where a connection is made with the Chicago, Burlington and Quincy, the main line of the Illinois Central, and a line leading from Mendota to Clinton, Iowa.

To the practical railroad investor it is quite unnecessary to comment upon the nature and extent of various lines of railway and canal that must, from their very nature, become tributaries to the Joliet and Valparaiso, with the probable extensions to Aurora and Mendota, will make the finishing link in the chain of railways by which freight can be transported from the Northwest to the Eastern seaboard and intermediate points, at a saving of time and cost.

TERMINI AND COUNTRY TRAVERSED.

JOLIET.

Joliet, the largest and most important place upon the line, is a prosperous, active and growing city of seventeen thousand inhabitants. It is located upon both banks of the Des Plaines river, in the midst of a splendid farming country, and is the county seat of Will county, Illinois.

It is the second shipping point in the State of Illinois, being parallel with the head of Lake Michigan, it is on the great central air-line route of trade and travel from ocean to ocean. This advantage can hardly be over-estimated. It is causing an increased yearly divergence of trade from Chicago over the Joliet Cut-off railroad, a line under the control of a single trunk route—the Michigan Central. This branch of the Michigan Central delivers more freight to the main line than all the other branches

of that road together, and at times a blockade actually takes place by reason of the inability of the main line to take charge of, and handle the freight from this branch. And it is said by leading grain shippers of Joliet, that with the present freight alliance of the Joliet and Valparaiso, with the Grand Trunk and its seaboard connections, and the other trunk line connections made at Valparaiso, the Joliet and Valparaiso, as a single track road, will still be inadequate to do the increased traffic. There are, in round numbers, fifteen hundred cars per day of east-bound freight passing through Joliet by rail and canal. Two hundred cars are re-shipped *via* Michigan Central, thirteen hundred going forward to Chicago. It is a safe estimate that one half of the number running through to Chicago would be re-shipped east at Joliet, were there sufficient railroad facilities, which will be partially supplied by the construction of the Joliet and Valparaiso Rail Road. To this may be added the local traffic, or produce of the surrounding country, which is largely shipped in cars of the Lake Shore and Michigan Southern, Pittsburgh, Fort Wayne and Chicago, and Baltimore and Ohio, these lines running their cars from Chicago to Joliet, paying a local rate of about ten per cent., which they are obliged to deduct from the gross east-bound rate, as Joliet and Chicago at all times have the same rates to all eastern points.

The natural advantages possessed by Joliet are worthy of attention. It has an abundant and never-failing water power, or as one writer has aptly said, "we have the river Des Plaines for a mill race, and Lake Michigan for a mill pond," and a fall of forty feet within the city limits, with additional power just above and below us. This flood of wealth can never fail us (unless Lake Michigan dries up), and is sure to found a city of extensive manufacturing proportions. The late Mr. Gooding, State Engi-

neer of the Illinois and Michigan Canal, declared this water power equal to any on the continent.

The great natural resource of Joliet, however, and one to be considered in calculating the probable freight revenue of the road, is the immense and inexhaustible deposits of stone. The quarries in and about Joliet being the most extensive in the United States. The city is literally "founded upon a rock;" and within its limits and above and below, and upon both sides of the Des Plaines river, are quarries that employ large forces of men, the products of which are shipped to ten different States. The stone is magnesian limestone, and stratified. The strata ranging from two to sixty inches in thickness. This natural arrangement enables the owners of quarries to produce the material for use at a comparatively small cost. The quality is the very best, and has stood the test applied by the U. S. Engineer Corps; and has been, and is now being used in the construction of the government arsenals on Rock Island. The estimated amount shipped from Joliet by rail and canal during 1880, was, in round numbers, twenty-five thousand car loads, and the demand indicates that this quantity will be increased annually. In this connection it may be stated that there are extensive cement gravel pits, from which are annually shipped thousands of car loads for the grading of streets in Chicago and elsewhere. The solid foundation in the underlying rock and the gravel, give Joliet an advantage in streets not found, or to be hoped for, in any other Illinois city, or in the West.

Besides the natural resources and agricultural interests of Joliet, it is fast becoming a manufacturing city of much importance. In the Joliet Iron and Steel Works, the city has an establishment of vast proportions, equal in magnitude to any in America. The product of Bessemer steel rails being 250 tons each twenty-four hours. Besides the manufacture of steel rails the works are employed in the rolling of merchant steel and the reduction of ore to Bessemer pig in two large blast furnaces. The whole number

of men employed in all departments is about fourteen hundred. Seven factories employing large numbers of men, are engaged in the manufacture of barbed wire fence.

In addition to the manufactories mentioned, there are two extensive tile factories, stove works, large boot and shoe factory, paper mills, wire manufactory, several establishments for the working of marble, cooperage works, several agricultural implement works, several cigar factories, a large oat meal mill that exports direct to Great Britain, flouring mills, and several harness and collar factories. Besides these there are a large number of minor establishments, all engaged in supplying the wholesale trade.

As features worthy of note, and as proof of Joliet's activity and prosperity, it may be stated that it has four daily newspapers, besides half a dozen weeklies; one of the most completely appointed District Telephone Exchanges in the country, a thoroughly organized and equipped paid fire department, with fire alarm telegraph; a Board of Trade; street railways; extensive water works are now being constructed.

Need more be said? It would seem that the local demands of Joliet alone are sufficient to insure the success of the enterprise in every particular. This, however, as it is seen, is only a comparatively small part of what, of necessity, is to make the business and revenue of the road.

VALPARAISO.

Valparaiso, the eastern terminus, is a town of seven thousand inhabitants, and the county seat of Porter county, Indiana. It is one of the finest towns in the State, and is pleasantly located in the midst of a fertile farming country, the principal staple being wheat. A leading feature of the town is the extensive and famous Normal schools, where thousands of western youth seek the bright-

ening of ideas. There are some manufacturers, though the great interests of the town are agriculture and railroads. Here the Grand Trunk and Pittsburgh, Fort Wayne & Chicago cross, and from this point diverge to widely distant and different territories. Upon the completion of the Joliet & Valparaiso, other interests cannot but be attracted to the town.

MORRIS.

Morris, the southwestern terminus of the Joliet & Valparaiso railroad, is located on the north bank of the Illinois river, and is the county seat of Grundy county, Illinois. The town is traversed by the Illinois and Michigan canal, and the Chicago, Rock Island & Pacific railroad, and has a population of about six thousand. It is the trading center of an extensive and prosperous farming region, and more grain is received from the producers at Morris than at any other point upon the line of the Illinois and Michigan canal.

Besides local trade, there are fast building up manufacturing interests of importance. The town is built in the midst of the coal-fields that border the Illinois river, and coal mining is carried on extensively. With additional railroad facilities which the completion of the Joliet & Valparaiso, and the proposed line from Morris to Mendota will give, Morris has a bright future, as its citizens are intelligent, enterprising and active.

COUNTRY TRAVERSED.

The whole extent of the road is through a thickly settled and fertile farming country. Besides this, there are upon the line of the road several thriving towns and villages, that cannot but add much to the local traffic of both passengers and freight. The land is both flat and rolling prairie, with but slight variations, thus giving to the road very moderate grades.

The line is from six to ten miles south of the Michigan Central "Cut-Off" Railroad, and will control a great portion of the local traffic of that road, as it is from the south that such traffic at present comes.

COAL.

The Morris division of the road crosses the Kankakee river within a few miles of where it empties into the Illinois, and it is near this crossing that the road enters the extensive coal fields that lie south of the Illinois. The line traverses these coal fields which are among the best in the State, for a distance of ten miles.

The coal is bituminous, of fine quality, and free from sulphur. The veins are from thirty-six to forty-two inches in thickness, lying from fifteen to eighty feet from the surface, with an excellent sandstone roof. Mining is now prosecuted only on a limited scale for the trade of the immediate vicinity. The construction of the Joliet and Valparaiso Rail Road will open these hidden treasures to the outer world, and place these mines upon a footing with the other mines of Northern Illinois, with the additional advantage that the Joliet and Valparaiso gives them a route direct to a market not heretofore reached by the coal of Illinois—the trade of Northern Indiana and that part of Michigan along the line of the Grand Trunk Railway, as well as to Joliet and Chicago.

This traffic will be of the utmost importance in making up the revenue of the road. The net profits of the coal traffic alone will more than pay interest on the cost of the road.

The Joliet and Valparaiso Railroad Company is owner of and controls a large amount of this coal land, which, upon the completion of the road, it intends to fully develop.

CONSTRUCTION AND COST.

In construction and equipment, the road is to be first class in every particular, with standard gauge. The main line to be laid with the best quality of Bessemer steel rails. The roadbed and superstructure to be the most substantial and durable. The equipments and rolling stock first class.

To do the work, the company will have the following:

The avails of the preferred stock,	-	-	\$	500,000.00
First Mortgage bonds,	-	-	-	1,500,000.00
Income on second mortgage bonds,	-	-		500,000.00
Common Stock,	-	-	-	2,000,000 00
Total,	-	-	-	<u>4,500,000.00</u>

ESTIMATED TRAFFIC AND REVENUE.

The figures given below are based upon a very moderate and safe estimate of the traffic of the road, derived from the present state of the Joliet east and west bound business, without reference to the probable extensions.

The rate given per car is based upon a low through rate, below the average, and in this calculation local freight is not estimated as such, but is treated as paying a through rate only.

East bound freight per day, Cars Coal.....	100
Cars grain, stock and merchandise,	200
Total.....	<u>300</u>

At a rate of \$8 per car	\$2,400
West bound freight per day, 80 cars. At a rate of \$10 per car,	800
Freight earnings per day....	<u>\$3,200</u>
For 312 working days per year, total freight earnings.....	\$998,400
Passengers, Mail and Express.....	<u>\$100,000</u>
Total Earnings.....	\$1,098,400
Sixty per cent estimated cost operating and maintaining the road.....	<u>659,040</u>
Net Earnings.....	\$439,360
Less interest on first mortgage bonds,.....\$105,000	
\$10,000 per annum of net earnings set apart, after 1885, as a sinking fund for the payment of the bonded debt of the company.....	<u>\$115,000</u>
Balance over all yearly liabilities.....	\$324,360

WITH the foregoing statement and exhibit, the company feels every confidence in placing upon the market its first mortgage bonds amounting to \$15,000 per mile, or a total of \$1,500,000. These bonds are to run thirty years, with interest at ~~seven~~ ^{six} per centum per annum, payable semi-annually in gold in New York.

The payment of these bonds, together with the interest on the same, at the time and in the manner specified, is secured by a First Mortgage lien upon all the corporate property of the Joliet & Valparaiso Rail Road Company, its franchises and real estate, including coal lands, now owned, or hereafter to be acquired, and upon equipments and rolling stock.

The statement in another part of this prospectus regarding revenue and traffic, is far below estimates made by men well able

to judge—competent railroad men, putting it at double the amount stated. When it is borne in mind that at Valparaiso the road connects with three great trunk lines, each diverging to widely different territory, yet, at the same time, reaching every great export city on the Atlantic seaboard, the importance of the road cannot be overrated. The east bound traffic is pouring into and through Joliet every hour of the twenty-four, train after train. Time and money are saved by going east from Joliet instead of delaying at Chicago, and this is well known to shippers. *The demand for the road is imperative.* It will not be compelled to wait for the country to “settle up,” for it is already thickly settled. It will not be compelled to “work up” a business, as it is already worked up and awaiting the movement of the first train.

Under these circumstances, and with these exhibits, the Joliet and Valparaiso Rail Road Company offers to the investing public its First Mortgage Sinking Fund Bonds, as first class securities, commending themselves to Capitalists and others, having funds to invest.

CHARLES H. GOOLD,

President of the Joliet & Valparaiso Rail Road Company.

CHAS. H. WEEKS,

Secretary.

